

interests of existing shareholders would not be diluted as a result of the reorganization.

4. A proxy statement was filed with the SEC and distributed to applicant's shareholders on or about May 2, 1995. Applicant's shareholders approved the Plan on June 29, 1995.

5. On June 30, 1995, the reorganization was consummated. Applicant transferred its assets to Successor Fund in exchange for the assumption by Successor Fund of applicant's liabilities and the issuance of a number of shares of Successor Fund equal to the number of outstanding shares of applicant on that date. Following the exchange, applicant liquidated and distributed the Successor Fund shares to each of its shareholders on the basis of one Successor Fund share for one outstanding share of applicant. Upon completion of the reorganization, each shareholder of applicant became an owner of Successor Fund shares equal in number and aggregate net asset value to his or her shares of applicant held immediately prior to the reorganization.

6. The expenses applicable to the reorganization are estimated to be approximately \$66,546. Applicant and Successor Fund each paid its own expenses related to the reorganization. Applicant's share of the expenses was approximately \$35,000.

7. At the time of filing the application, applicant had no assets, and no outstanding debts or liabilities. Applicant has no shareholders and is not a party to any litigation or administrative proceeding. Applicant is not presently engaged in, nor does it propose to engage in, any business activities other than those necessary for the winding-up of its affairs.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-22656 Filed 9-12-95; 8:45 am]

BILLING CODE 8010-01-M

[Release Nos. 33-7209; 34-36189; File No. 265-20]

Advisory Committee on the Capital Formation and Regulatory Processes

AGENCY: Securities and Exchange Commission.

ACTION: Notice of meeting.

SUMMARY: This is to give notice that the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes

will meet on September 29, 1995 in room 1C30 at the Commission's main offices, 450 Fifth Street NW., Washington, DC, beginning at 10:00 a.m. The meeting will be open to the public, and the public is invited to submit written comments to the Committee.

ADDRESSES: Written comments should be submitted in triplicate and should refer to File No. 265-20. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: David A. Sirignano, Committee Staff Director, at 202-942-2870; Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: In accordance with section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 10a, notice is hereby given that the Committee will meet on September 29, 1995 in room 1C30 at the Commission's main offices, 450 Fifth Street NW., Washington, DC, beginning at 10:00 a.m. The meeting will be open to the public.

The Committee was formed in February 1995, and its responsibilities include advising the Commission regarding the informational needs of investors and the regulatory costs imposed on the U.S. securities markets.

The purpose of this meeting will be to discuss the progress of the Committee's work, to discuss elements for a company registration system, as well as to discuss general organizational matters.

Dated: September 6, 1995.

Jonathan G. Katz,

Secretary.

[FR Doc. 95-22651 Filed 9-12-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36197; International Series Release No. 850; File No. SR-OCC-95-11]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Modifying the Capital Computation Formula and Reporting Requirements Applicable to Canadian Clearing Members of the Options Clearing Corporation

September 7, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on July 13, 1995, the Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission

("Commission") the proposed rule change (File No. SR-OCC-95-11) as described in Items I, II, and III below, which items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to modify OCC's rules pertaining to the financial requirements of Canadian Clearing Member² firms, including the capital computation formula and reporting requirements applicable to those members, to reflect revisions to the capital computation and reporting standards recently adopted by various Canadian regulatory authorities.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Set forth in sections (A), (B), and (C) below, are the most significant aspects of such statements.³

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The proposed rule change seeks to modify OCC's rules concerning the financial requirements of Canadian Clearing Members, including the capital computation formula and reporting requirements applicable to Canadian Clearing Members, to reflect revisions to the capital computation and reporting standards recently adopted by various Canadian regulatory authorities. OCC's rules allow Canadian Clearing Members to submit required financial reports in accordance with the accounting and reporting standards of their appropriate self-regulatory body.⁴ In monitoring Canadian Clearing Member compliance with OCC financial requirements, OCC

² The term Canadian Clearing Member is defined in OCC By-Law Article I, Section I.N. (3).

³ The Commission has modified parts of these statements.

⁴ OCC By-law, Article I.N. (2) employs the term "appropriate self-regulatory body" as defined in the Supplementary Instructions re Completion of the Joint Regulatory Financial Questionnaire to refer to the governmental agency or self-regulatory authority primarily responsible for regulating the activities of a Canadian Clearing Member.

¹ 15 U.S.C. § 78s(b)(1) (1988).

converts this financial information into a form consistent with Rule 15c3-1 under the Act.⁵

The capital formula applied under Canadian securities regulations to Canadian securities firms has been revised and incorporated into a new standard report format. The prior capital formula applied a minimum capital requirement, as assessed by a working capital computation (*i.e.*, total capital less non-allowable assets), based upon volume of business determined by a percentage of adjusted liabilities. The new capital formula continues to be based on a working capital computation minus certain charges, including charges that reflect the risk of proprietary securities held in inventory. However, the new capital formula replaces the concept of adjusted liabilities with revised definitions of allowable assets and margin charges that are intended to reflect the credit worthiness of counterparties and the economic substance of transactions. The report format used by Canadian securities firms to report their capital computation also has been revised. OCC proposes to change its financial requirements and reporting rules to conform them to the revised capital formula and reporting format.

Specifically, the current Interpretations and Policies ("Interpretation") .01 to OCC Rule 301, regarding initial financial requirements, provides that a Canadian Clearing Member that commenced doing business as a broker or dealer within twelve months prior to its admission to Clearing Membership must maintain "initial net free capital," as defined in the Supplementary Instructions re Completion of the Joint Regulatory Financial Questionnaire ("Supplementary Instructions"), of not less than ten percent of such Clearing Member's "adjusted liabilities," as defined in the Supplementary Instructions, until the later of (i) three months after its admission to Clearing Membership or (ii) twelve months after it commenced doing business as a broker or dealer. Currently, Interpretation .01 to OCC Rule 302, regarding minimum net capital requirements, provides that a Canadian Clearing Member shall maintain net free capital, as defined in the Supplementary Instructions, of not less than the amount of net free capital that would be required of such Clearing Member under Section 100.2 of the By-Laws of the Investment Dealers Association of Canada ("IDAC") if the Clearing Member was a member of the IDAC.

As proposed, Interpretation .01 to Rule 301 will require a Canadian Clearing Member to maintain an initial "early warning reserve" as determined in accordance with the Joint Regulatory Financial Questionnaire and Report ("JRFQ&R") of not less than \$1,000,000 (U.S.) for the same period as previously required. The proposed Interpretation .01 to Rule 302 will provide that the minimum net capital requirement of a Canadian Clearing Member be the early warning reserve as determined under the JRFQ&R in an amount not less than the greater of \$750,000 U.S.) or 2% of such Canadian Clearing Member's total margin requirement as determined in accordance with the JRFQ&R. Application of the early warning reserve as determined under the JRFQ&R also will replace the use of the net free capital formula as determined under the Supplementary Instructions in OCC Rules 303 and 304, respectively, regarding early warning notice and restrictions on distributions.

Finally, in connection with OCC's financial reporting requirements, each Canadian Clearing Member will be required to file its JRFQ&R with OCC on a monthly basis except as provided in the Interpretations to Rule 306. The JRFQ&R replaces the Joint Industry Monthly Financial Report previously required under the Interpretations to OCC's Financial Reporting Rule.

OCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because the rule proposal will facilitate the prompt and accurate clearance and settlement of securities transactions and will assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change will impact or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments relating to the proposed rule change have been solicited or received. OCC will notify the Commission of any written comments received by OCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which OCC consents, the Commission will:

(a) By order approve such proposed rule change or

(b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of OCC. All submissions should refer to the file number SR-OCC-95-11 and should be submitted by October 4, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-22652 Filed 9-12-95; 8:45 am]

BILLING CODE 8010-01-M

⁵ 17 CFR 240.15c3-1.

⁶ 17 CFR 200.30-3(a)(12) (1994).